

THE DEPOSIT INSURANCE ACT

ARRANGEMENT OF SECTIONS

PART I. *Preliminary*

1. Short title.
2. Interpretation.

PART II. *The Jamaica Deposit Insurance Corporation*

3. Establishment of the Corporation.
4. Principal objects of Corporation.
5. Functions of Corporation.
6. Report by Corporation.
7. Relationship with the Bank of Jamaica.
8. Insurance Act not applicable to Corporation.

PART III. *Financial*

9. Capital of Corporation.
10. Accounts and Audit.
11. Annual report.

PART IV. *Deposit Insurance*

12. Application by financial institutions for deposit insurance.
13. Insurance of Deposits.
14. Insurance of policy and certificate.
15. Cancellation of policy.
16. Appeal against cancellation.

PART V. *The Deposit Insurance Fund*

17. Deposit Insurance Fund.

*DEPOSIT INSURANCE**PART VI. Payments out of Fund*

18. Payments out of Fund.
- 18A. Payment out of Fund in relation to foreign currency account deposits.
- 18B. Cessation of accrual of interest on deposit accounts.
- 18C. Beneficial interest in trust and nominee accounts.
- 18D. Deposits of depositor with policyholders that subsequently amalgamate.
19. Persons entitled to payment.
- 19A. Payment by transferred deposit.
20. No payment to depositor who profited from insolvency of institution.

PART VII. General

21. Exemption from tax, stamp duty, etc.
22. Carrying on business, without insurance.
23. Offences by corporate officers.
24. Obligation for secrecy.
- 24A. Minister may amend monetary penalties.
25. Regulations.
26. Applications by existing institutions.

SCHEDULE

THE DEPOSIT INSURANCE ACT

[31st August, 1998.]

Acts
3 of 1998,
36 of 1999,
1 of 2011,
6 of 2014
11th Sch.PART I. *Preliminary*

1. This Act may be cited as the *Deposit Insurance Act*. Short title.
- 2.—(1) In this Act, unless the context otherwise requires— Interpreta-
tion.
- “Bank” means the Bank of Jamaica established under the Bank of Jamaica Act;
- “Board” means the Board of Directors of the Corporation appointed under the Schedule; Schedule.
- “Corporation” means the Jamaica Deposit Insurance Corporation established under section 3;
- “deposit” means—
- (a) a sum of money paid on terms—
- (i) under which the sum will be repaid, with or without interest or a premium, and either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and the person receiving it; and
- (ii) which are not referable to the provision of property or services or to the giving of security, and for the purposes of this paragraph, money is paid on terms which are referable to the provision of property or services or to the giving of security if, and only if—
- (A) it is paid by way of advance or part payment for the sale, hire or other provision of property or services of any kind and is repayable

only in the event that the property or services is or are not in fact sold, hired or otherwise provided; or

- (B) it is paid by way of security for payment for the provision of property or services of any kind provided or to be provided by the person by whom or on whose behalf the money is accepted; or
- (C) it is paid by way of security for the delivery up or return of any property, whether in a particular state of repair or otherwise,

and includes any interest payable in respect of the sum of money;

- (b) a share in a building society, other than a capital share, a deferred share or a preference share;
- (c) such other liabilities as may be determined by the Minister, on the advice of the Board,

and for the purposes of this definition the terms “capital share” and “deferred share” shall have the meaning assigned to them respectively under the Bank of Jamaica (Building Societies) Regulations, 1995;

“financial institution” means—

- (a) a bank as defined under the *Banking Services Act*;
- (b) a merchant bank as defined under the *Banking Services Act*;
- (c) a building society as defined under the *Banking Services Act*;
- (d) subject to section (3) any other person or undertaking whose business includes the accepting of deposits and who has been designated, by the Minister under section 2 of the *Bank of Jamaica Act*, to be a specified financial institution.

6/2014
11th Sch.

“functions” includes powers and duties;

“Fund” means the Deposit Insurance Fund established under this Act;

“government company” means a company registered under the *Companies Act*, being a company in which the Government or an agency of the Government, by the holding of shares, is in a position to direct the policy of that company;

“insurable deposit” means a deposit received or held by a policyholder from or on behalf of a depositor other than a deposit from—

1/2011
S. 2(a)(i).

(a) another policyholder;

(b) a statutory body or authority or government company;

(c) a Ministry, department or agency of the Government;

1/2011
S. 2(a)(iii).

(d) a Parish Council, the Kingston and St. Andrew Corporation or a Municipal Council;

1/2011
S. 2(a)(iii).

“insured deposit” means that portion of an insurable deposit which is covered by insurance under this Act;

“nominee” includes—

1/2011
S. 2(b).

(a) an agent;

(b) a guardian;

(c) a custodian; and

(d) the Supreme Court, or a Resident Magistrate’s Court in the case of property the value of which is within the monetary jurisdiction of that Court, pursuant to section 29(1) of the *Mental Health Act*;

“nominee account” means monies held on account by a nominee for the benefit of a principal or ward of the nominee, or of a minor or patient, as the case may be;

1/2011
S. 2(b).